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EXHIBIT 23

*BRIEF*

from the

New Glasgow Chamber of Commerce

to the

Royal Commission on Coal (1959)





The New Glasgow Chamber of Commerce submits this brief in the belief that it is in the interests both of the communities which depend on the coal industry for support and the coal industry directly. The Chamber would record its appreciation of the Government's interest in the coal industry, as witnessed by the appointment of this Commission of Inquiry, and the opportunity to make the Chamber's view known.

The Chamber would record its appreciation of the contribution the persons associated with the industry have made to the welfare of Pictou County, and its appreciation of the governmental assistance in various forms given the industry, without which the industry would not have survived up to this point.

Respecting the obligation the New Glasgow Chamber of Commerce is under to the miners of Westville, Stellarton, Greenwood, and Thorburn, we would here put on record, with the Commission's permission, our belief that there never has been national awareness of the contribution to Canada's well being that has been made by the men directly engaged in the coal industry. Were the sole contribution of the coal miners to national well being limited to their efforts in the first and second world wars, that contribution alone would be of itself sufficient in scale to merit national recognition as an indispensable contribution to the successful prosecutions of two world wars; when one adds to the wartime coal production statistics the sum total of the peace time effort, and when added to that total the facts of life in coal mining as we who live with the coal miners know them, the overall total is a debt that all Canadians are owing. If the commission will permit the observation, we would record, over and above the obligation we as a Chamber of Commerce owe the coal industry, our pride in the accomplishments of the draegermen of Pictou County who, at Moose River in 1936, at Springhill in 1956 and 1958, by their heroism challenged the admiration of the world. These mining disasters and the resulting deeds of the draegermen were widely publicized: before and after these incidents in Nova Scotia mines. The draegermen in Pictou County had their courage and skill tested by explosion and fire in our Pictou





County pits - 1913, 1914, 1918, 1924, 1929, 1935, and 1952. They were not found wanting. The price that has been paid for coal in the County of Pictou is not reckoned entirely in dollars and cents. It is calculated too, by those who live in Pictou County, with the dreadful toll in human lives taken in fires, explosions, falls of coal and stone, suffocating gas, and the other perils which every miner faces underground every day. It is with humility and with pride, as well as with gratitude, that the New Glasgow Chamber of Commerce records its appreciation of the elementary economic fact that without the coal miners in Pictou County, the Town of New Glasgow would be but a small fraction of the size it is today.

We have no submission to make with respect to the practical operation of the collieries in Pictou County, nor any submission with respect to freight rates, tariffs, subventions, nor subsidies from any source in any form, other than as hereafter noted, nor any submission respecting fuels competitive to coal. We assume these matters, which are constantly under review by the persons directly concerned, will be brought to the Commission's attention by others.

The primary submission that we would make is based upon the premise that the coal industry by itself cannot be divorced from the economy of Nova Scotia and the other Maritime provinces, in that the plight of the coal industry is the epitome in example of comparison between Maritime provinces economic development and economic development in the central provinces of Canada.

We as a Chamber of Commerce have limited financial resources at our disposal, and we look to the Royal Commission on coal with its access to expert opinion, its access to statistical and other records, and its presumed resources which would permit extensive research, as a means of ascertaining the numerous factors which affect the industry adversely, and of recommending to the federal government ways and means of effecting improvements intended to be of benefit to the industry. Should the scope of this inquiry be limited strictly to the immediate affairs of the coal industry, we submit that the value





of the inquiry will be comparable with the value of previous coal commissions of inquiry, and, while we do not suggest that previous commissions were without value, the simple fact that it is generally agreed today that coal in Nova Scotia is in a parlous state is somewhat indicative of the value of previous commissions, or, more properly expressed, the fact that successive governments in Canada and to a lesser degree in Nova Scotia never had the will to adopt in full what previous commissions recommended, is indicative of the value successive governments placed upon previous commissions.

The coal industry, as with all industry in Nova Scotia, is within the control of the political and economic policies of the government in Ottawa. The policies of the central government since 1867 have resulted in a concentration of population and wealth in the central provinces arising from industrial development; the same policies are as applicable to Nova Scotia as they are to Ontario and Quebec, with directly opposite results in industrial development, always assuming, and this is not intended to be a facetious remark, that industry has developed in central Canada largely as a result of Ottawa policies, and not in spite of them. Perhaps the best unit of measurement to apply in assessing the success or failure of a program of economic development is per capita income. A comparison of per capita income in Nova Scotia and Central Canada indicates that the national economic policies of Canada have, insofar as Nova Scotia is concerned, failed in their purpose of providing equal opportunity and an equitable standard of living for all as a primary objective of our national life. How then, have these national policies--the tariffs, the trade regulations, the fiscal regulations, the direct and indirect tax collection policies, the restrictions and the encouragements and so on, of the central government at Ottawa affected the industrial development of Nova Scotia? The answer to that question lies in the pitifully few industries we have in this province.

While we are appreciative of the work of APEC and sundry departments of both Governments, we do not foresee additional consumption

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of electric power to the extent that the coal industry will reflect improvement from its present condition. We foresee neither outside industries coming to the province at an accelerated rate, nor local enterprise embarking on industrial endeavor. At the moment, there is evidence giving cause for worry that some of the industries we have may not continue in operation.

At this late date it is obvious that the coal industry of itself cannot progress to the point that its employees would be sufficient in number to create a large enough demand for consumer goods to attract secondary industry to the province to supply the domestic demand, thereby creating a chain-reaction of more industries, more coal, then more miners, then more secondary industries to supply the miners needs.

Inasmuch as industrial development requires resources--management, labor, capital, material, and finally markets, --all of which the coal industry has or can get, less markets-- it is not difficult to see the major need - markets.

We submit to the commission that the whole concept of Maritime provinces development should be examined by the commission. If the federal statutes which enact the policies of the government at Ottawa would appear to be the cause of the Maritimes lagging industrially, then these are the statutes which need revision to aid the coal industry. To put no fine point on the matter, the New Glasgow Chamber of Commerce submits that the coal industry, as with all Maritime industrial enterprise, is held in economic thralldom to central Canada, and the political bonds of the maritimes to central Canada, whatever the original intent in 1867, have since become economic shackles which have held our industrial pace to a walk while the central provinces gallop. We hope that the Commission will accede to our request for research into this phase of the conditions that handicap the coal industry.

The Chamber of Commerce is cognizant of some opinions expressed by the Dominion Fuel Board and others that within so and so years the hydro power resources potential of Ontario and Quebec will be exhausted, and from that still unknown date, coal will once again be the principal





means of generating electricity. It would be speculative to suggest to the commission that within so and so years oil, gas, atomic, or solar heat will be the principle source of electric power. There is no speculation in our observation however, that should coal be restored to its once pre-eminent position in Central Canada, it will be American coal as it always has been, and not Nova Scotia coal, unless of course there is a new concept of the Maritime Provinces place in the sun by the federal authority in Ottawa.

There is another aspect of the coal industry in Nova Scotia which the Chamber of Commerce submits is contrary to the best interests of the industry and the public. That aspect is monopoly control of the greater part of the industry and the associated concerns which are large consumers of coal. This part of our submission is intended to request the Commission to give scrutiny to the corporation statutes of the provincial and national governments which have jurisdiction in the forming of companies, the powers of holding companies, the issue of stock shares as payment to directors and promoters, and statutes which permit the piling of merger upon merger and absentee ownership and absentee control of mineral deposits and industrial plants. Is it the understanding of the governments in Ottawa and Halifax that the corporation statutes are intended to be a practical means of developing and controlling the nation's resources? If that is the intention, how in their practical application to the coal industry do these statutes function, and what is the result to the coal industry? We are hopeful it is within the scope of this inquiry to procure an answer to this question.

We are concerned with the corporate structure pertaining to ownership of the leases and principal coal operations in the County of Pictou and the province of Nova Scotia. The corporate structure is of such magnitude and complexity that the Commission in discharging its responsibilities should, it is submitted with deference, examine it very closely to determine whether or not the chain of control is a benefit or a hindrance to the industry.

Until 1957 the chain began in Montreal, in the head office of Dosco.





Subsequent to 1957 the chain began and still begins in London. It goes through a corporate body in Toronto, another corporate body with sales and administrative office in Montreal, then another administrative body in Sydney, and finally through Stellarton reaches to the Acadia Coal Company Limited mine in Thorburn.

To the Chamber of Commerce it appears questionable that a mineral asset in Pictou County should be vested in financial interests in London. It is to be noted that nearly all the coal leases of the province are now back, in the ownership sense, in Great Britain, which is exactly where they were in the beginning by Royal Warrant of monopoly to the General Mining Assoc. more than 100 years ago.

The Commission, it is suggested, will have no difficulty in procuring information on the General Mining Association policies and affairs in Nova Scotia, providing such information would be considered germane to the problems of the coal industry as they appear to be in 1960.

The Chamber is aware of the saving in administration, sales, and technical services costs ensuing from the Acadia Coal Company's association with the Dominion Steel and Coal Corporation. The Chamber would note, however, that the Acadia Coal Company Limited is a subsidiary of the Nova Scotia Steel and Coal Company Ltd, which latter is a subsidiary of the Dominion Steel and Coal Corporation Ltd, which latter is a subsidiary of A. V. Roe (Canada) Ltd., which latter is a subsidiary of Racair Ltd. in England, which latter is a subsidiary of the Hawker-Siddley Group. The latter corporation is also the parent concern of the Brush Group, which has a long list of British companies under its control. In the late months of 1959 the Hawker-Siddley Group merged with the Dehaviland interests in Great Britain.

While the Chamber certainly has no evidence to suggest that the Acadia Coal Company's association with the Hawker-Siddley Group is harmful to the Acadia Coal Company, it is submitted that in the fitness of things any value to the Acadia Coal Company ceases with the Dosco head office in Montreal. In the event of any corporation charges being assessed against the Acadia Coal Company, over and above Dosco charges,





or if Dosco charges upon Acadia include a sum necessary to meet a Roe and/ or Hawker-Siddley assessment, such charges represent a plus factor to the costs problem of the industry, consequent increase in the price of coal to the consumer, and aggravation of the sales problem arising from the competition of other fuels.

The Chamber submits to the Commission that owners of the steel and coal industry of the province would be more likely to operate the two in the best interests of the people of the province if the owners interests were primarily concerned with the steel and coal industry of Nova Scotia. The Chamber submits that the complex corporation structure in which the major part of the Nova Scotia coal industry - and its steel and manufacturing associates in Nova Scotia - finds itself by a process of mergers, is unlikely to be of beneficial effect to the coal industry. It is to be noted that the corporation statutes of the country permit mergers of the type which occurred in 1957, whereby A. V. Roe (Canada) Limited acquired control of Dosco. It is also to be noted that it is questionable, to say the least, that such a merger could have happened within the United States, in that the Anti-trust laws of the United States would probably prevent mergers of the type which have ensnared the coal and steel industry of the province. The effect of this latest and previous mergers and the corporation statutes which permitted the mergers, it is submitted, are within the scope of the Commission to investigate. We would stress that the coal leases and the industry are now owned and controlled in another continent by absentee directors of varied interests. The Commission, with its resources of research, may or may not find that the association of financial interests in which the coal industry finds itself a partner is beneficial to the industry and the public.

The Chamber of Commerce would not like to be misunderstood. The Chamber believes in private enterprise, in the profit motive, and in the capitalistic system.

We do not however, subscribe to the belief that private enterprise should give license to anyone to exploit the natural resources of Nova Scotia as but another small unit in a vast complex of global dimensions.





We do not believe that free enterprize should give license to anyone to have the power of economic life or death over whole communities, by having the authority to abandon industries competitive to similar industries within the same corporate structure, or transfer industries from one locality to another to take advantage of lower costs. We do not believe that private enterprize should give license to any one ~~human-being~~, to reduce human beings, such as coal miners, to a plus or minus factor on balance sheets and statistical tables.

We assume that evidence will be placed before the Commission respecting the monies paid or rebated or forgiven, in one form or another, to the coal industry by municipalities, provinces, and the Federal treasury. It is submitted that these amounts of money were received by the industry from the various donors whose intent was to assist the employees and the coal mining communities. It is submitted that the contribution so made represents an investment by the public in the coal industry, and accordingly the public should have a greater measure of control as to how subsidies are applied than has been the case in the past. The Chamber submits that inasmuch as the Governments have in past financed the coal industry, decisions which affect employment should not be vested entirely with the colliery owners. It is to be noted that when money is needed by the industry, it is frequently sought from the Governments. When, however, owners close collieries, closures sometimes in the owners' view come within the accepted rights of private enterprize, and Government action is described as interference with private persons who are managing private property.

The Chamber assumes that the Commission will have access to the records and findings of previous royal commissions into the coal industry, including those specifically concerned with the Acadia Coal Company, Ltd.

The reports to which we would refer the Commission as having direct relationship to the industry in Pictou County, are the "Report of the Royal Commission respecting the coal mines of the province of Nova Scotia, 1926, and another of the same name in 1932: The Report





of the Royal Commission on the Acadia Coal Company 1937-1938: and the Report of the Commission on Trenton Steel Works 1944.

All of these commissions were appointed by the Government of the Province of Nova Scotia. Another document the Commission may find of interest is the record of a court action, the Supreme Court of Nova Scotia, July 15, 1938, the Eastern Trust Company, plaintiff, the Nova Scotia Steel and Coal Company Limited, defendant.

The latter record which is concerned with the discharge of the Nova Scotia Steel and Coal Company Limited from receivership, and the report of the Commission on Trenton Steel Works Limited, provide an insight into the policies and actions of the corporations and some of the persons directly concerned with leadership of the corporations, which own the greater part of the coal areas in Nova Scotia.

With respect to future markets for Nova Scotia coal, there is brought to the attention of the Commission the intention of the Dominion Steel and Coal Corporation to establish a steel processing plant and subsequently a steel making plant in the Montreal area. It is submitted that notwithstanding public statements to the effect that the proposed steel plant will be of benefit to the steel industry in Sydney, (which latter consumes coal in large quantities) this proposal should be examined carefully from the viewpoint of what effect it will have on the coal industry of the province. It is submitted that the Commission will find abundant evidence that where corporations in Central Canada control and manage industries in the Maritimes and similar industries in Central Canada, the Maritime branch of the corporation is abandoned. This has happened with some Dosco subsidiaries in Pictou County, with adverse effect on the coal industry.

All of which is respectfully submitted by The New Glasgow Chamber of Commerce.

New Glasgow, N. S.

March 1, 1960.

